

**ASSIGNMENT OF LEASE
AS SECURITY
(WITH RECOURSE)**

17571/A
OCT 24 1991 - 1 35 PM
INTERSTATE COMMERCE COMMISSION

ASSIGNOR (LESSOR):

Seaway Scrap Trading Company, Inc.
3645 Warrensville Center Road
Suite 209
Shaker Heights, Ohio 44122

ASSIGNEE:

Bank One, Cleveland, NA
1255 Euclid Avenue
Cleveland, Ohio 44115

LESSEE:

Sharon Steel Corporation
P.O. Box 271
Farrell, Pennsylvania 16121

LEASE AGREEMENT ASSIGNED:

Lease: Rail Car Lease Agreement
Lease Date: April 30, 1990
Lease Term: 24 Months
Lease Amount: See Exhibit "A"
Equipment Leased: See Exhibit "A"

1. For valuable consideration and as security for any and all indebtedness, however, evidenced, of Assignor to Assignee, Assignor hereby sells, assigns, transfers and sets over to Assignee with recourse, all of Assignor's right, title and interest in and to the equipment described in the above referenced lease agreement (hereafter the "Lease") and all proceeds thereof, and all of Assignor's rights and remedies (but not obligations) therein, including (but without any obligation to do so) the right to collect rent due thereon, to repossess the equipment in the event of default by the Lessee, and the right, either in Assignee's own name or in the name of Assignor, to take such legal proceedings or exercise such other powers or privileges as Assignor might have taken save for this Assignment.
2. Assignor agrees to collect and hold in trust for Assignee all rent or other payments made by the Lessee pursuant to the Lease. To the extent received, Assignor will promptly pay to Assignee such portion or all of such rent as required in any promissory note, credit or security agreement executed and delivered by Assignor. Assignor shall at all times account to Assignee for all monies received pursuant to this Assignment, and shall make its books and records available for

inspection by Assignee at all reasonable times. Upon default by Assignor in any term or condition of this Assignment or any promissory note, credit or security agreement executed by Assignor in favor of Assignee, Assignee may direct the Lessee to make all payments under the Lease to Assignee, and such payment shall constitute a complete discharge of Lessee's obligation to Assignor in respect of such payment made to Assignee.

3. Assignor agrees that all executed copies of the Lease shall be marked at the top with the following typed language: "All right, title and interest of Lessor in the Lease has been assigned to Bank One, Cleveland, NA as security for all indebtedness of Lessor to said Bank One, Cleveland, NA"; and that the original of the Lease will be held in the possession of Assignee. Further, Assignor agrees to file the Lease and this Assignment with the Interstate Commerce Commission and file and assign all necessary Uniform Commercial Code financing statements at its own expense describing Assignees' interest therein and to suitably affix on each item of leased equipment identification of Assignee's interest therein. Assignor represents that a valid and perfected security interest in the equipment described in the Lease exists in favor of Assignor, and Assignor agrees to assign such interest and file all necessary assignments of existing financing statements to Assignee at Assignor's sole expense.
4. Assignor hereby warrants: (a) that the Lease is the only agreement executed by it for the lease term concerning the equipment described therein; (b) that the Lease is genuine, valid and subsisting, in all respects what it purports to be, and is enforceable according to its terms; (c) that Assignor has full power to make this Assignment and has not heretofore alienated, assigned, or otherwise disposed of any interest in the Lease or any of the sums due or to become due thereunder; (d) that the Lessee is paying rent on a current basis and no event of default as defined in the Lease has occurred and is continuing, or which, with the lapse of time or the giving of notice, could constitute an event of default therein; (e) that, except for this Assignment, the Lease is free and clear of all defenses, set-offs, counterclaims, liens and encumbrances of every kind and nature; (f) that Assignor shall comply with all obligations imposed on it under the Lease, including any and all maintenance and warranty obligations; (g) that the equipment described in the Lease has been delivered to and accepted by the Lessee; and (h) that Assignor has no knowledge of any facts which impair the validity of the Lease or make the same less valuable.

5. Assignor hereby agrees and covenants: (a) that, except for this Assignment, Assignor will not create any lien, mortgage, encumbrance or security interest upon the Lease or any of the equipment covered by the Lease; (b) that Assignor will not modify, terminate or renew the Lease without Assignee's consent; (c) that Assignor will not permit any equipment to be removed from the place shown in the Lease without Assignee's consent; and (d) that in the event any of the equipment covered by the Lease comes into Assignor's possession, it will (i) promptly notify Assignee, (ii) keep the equipment secure, in good repair and fully insured against all usual risks naming Assignee as party in interest under the policy of insurance, (iii) hold the same as Assignee's property and subject to its instructions, and (iv) will not permit any of the equipment to pass into the possession, custody or control of any person other than Assignee without Assignee's consent.
6. This Assignment is executed only as security and this Assignment shall not subject Assignee to, or transfer or pass, any liability of Assignor under the Lease, it being understood that all obligations of Assignor to the Lessee shall be and remain enforceable by the Lessee, or its successors, against and only against Assignor. Assignor will indemnify and hold Assignee harmless from all claims, causes of action, expenses, counter-claims or liabilities arising out of or in connection with the failure in the observance or performance of the obligations of Assignor as Lessor under the Lease. No claim of Assignee hereunder shall be deemed waived because of Assignor's failure to perform its obligations under the Lease.
7. Assignor does hereby ratify and confirm all that Assignee, its successors and assigns, shall lawfully do or cause to be done by virtue of this Assignment, and does hereby covenant to execute and deliver to Assignee upon its demand, any and all instruments that Assignee may deem to be advisable at any time to carry out the purpose and intent of this Assignment or to enable Assignee to enforce any right it may have now or in the future, under any of the terms hereof, or it may require or desire for its protection.
8. This Assignment is made with full recourse and remedy by Assignee against Assignor, its successors and assigns, for a breach by the Lessee of any of the terms, provisions and conditions on Lessee's part to be performed under the Lease, including the payment of rent thereunder, but nothing herein shall be construed as an assumption by Assignor of the Lessee's indebtedness under the Lease.

9. Upon the full discharge and satisfaction of all of Assignor's indebtedness to Assignee, this Assignment and all rights, powers, privileges and other benefits herein assigned and granted to Assignee shall terminate, and all estate, right, title and interest of Assignee in and to the Lease shall revert to and vest in Assignor.
10. This Assignment shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns.

Executed by the parties hereto in manner and form sufficient to bind them this 12th day of September, 1991 at Cleveland, Ohio.

SEAWAY SCRAP TRADING COMPANY, INC.

By

Name: Samuel Goldstern

Title: Chairman

Chm.

VERIFICATION

STATE OF OHIO)
) SS.
COUNTY OF CUYAHOGA)

Signed and sworn to before me, a notary public in and for said state and county, this 12th day of September, 1991, by Samuel Goldstern who acknowledged to me that he is the Chairman of Seaway Scrap Trading Company, Inc. and duly authorized to execute the foregoing Assignment on behalf of said corporation.

David L. Genger
Notary Public

ACKNOWLEDGEMENT

DAVID L. GENGGER, Attorney
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration date.
Section 147.03 R.C.

The undersigned Lessee hereby acknowledges that a complete, true and correct copy of the Lease is attached hereto as Exhibit A; that the creation of the security interest by Assignor in the rail cars covered by the Lease and the Assignment by Assignor to Assignee does not materially change the duty of, or materially increase the burden or risk imposed on Lessee nor will enforcement of Assignee's rights under the Assignment or otherwise affect the

Lessee adversely; and that its obligations to pay rent and other amounts due under the Lease are absolute and unconditional, and not affected by any setoff, counterclaim, abatement, defense, suspension or other rights whatsoever. Lessee grants its consent to the creation of the security interest by Assignor in the rail cars covered by the Lease and the Assignment by Assignor to Assignee. Upon written notice from Assignee or its assigns, Lessee will remit all payments due under the Lease directly to Assignee and comply with all instructions given by Assignee, according to the provisions of the Lease.

SHARON STEEL CORPORATION

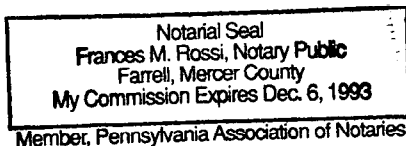
By *William J. Munnally*
Name: William J. Munnally
Title: V.P. - MATERIAL CONTROL

VERIFICATION

STATE OF PENNSYLVANIA)
) SS.
COUNTY OF MERCER)

Signed and sworn to before me, a notary public in and for said state and county, this 25th day of September, 1991, by William J. Munnally who acknowledged to me that he is the Vice President - Material Control of Sharon Steel Corporation and duly authorized to execute the foregoing Assignment on behalf of said corporation.

Frances M. Rossi
Notary Public



Lot #	Lot #	Size/Type	Weight	Price/CAR	Per C.T.	Rate
4	CO 35590	7/F	63.2	4,500.00	159.49	180
5	CO 35728	7/R	66.6	6,000.00	201.80	240
6	SCL 132832	7/R	62.2	6,000.00	216.08	240
7	PC 550144	7/F	60.0	4,500.00	168.00	180
8	PC 552949	7/F	61.7	4,500.00	163.37	180
9	BO 451087	7/F	63.3	4,500.00	159.24	180
10	CR 554340	7/F	59.7	4,500.00	168.84	180
11	LA 27633	7/R	50.1	6,000.00	231.33	240
12	LA 171659	7/R	59.8	6,000.00	224.75	240
13	SBD 476757	7/R	58.2	6,000.00	230.93	240
14	LA 27500	7/R	58.4	6,000.00	230.14	240
15	SBD 478630	7/R	58.0	6,000.00	231.72	240
17	CO 363836	7/F	60.5	4,500.00	166.61	180
1	CR 553205	7/F	60.2	4,500.00	167.44	180
16	SBD 998209 (40')	5/F	39.0	4,500.00	258.46	180

NOTE: Sharon will pay the freight from Midwest/Coalburg or Youngstown, Ohio to Farrell, Pennsylvania.

Agreed to for: Sharon Steel Corp., Debtor-in Possession

Officer's Signature

Date

Agreed to for: Seaway Scrap Trading Co., Inc.

Officer's Signature

Date

EXHIBIT A

NEW SSTL CAR #	ORIGINAL CAR #	TRUCK SIZE/TYRE	(000) LBS. LIGHT WEIGHT	COST P.O.T. YOUNGSTOWN PRICE/CAR	($\$$) SALVAGE VALUE PER G.T.	($\$$) MONTHLY LEASE RATE
2	SBD 998981	70/R	49.7	6,000.00	270.42	240.00
3	SBD 475789	70/R	57.1	6,000.00	235.38	240.00
18	SBD 475793	70/R	58.0	6,000.00	231.72	240.00
19	SCL 130714	70/R	58.8	6,000.00	228.57	240.00
20	SBD 478486	70/R	58.6	6,000.00	229.35	240.00
21	SBD 477445	70/R	60.2	6,000.00	223.26	240.00

Note: Sharon will pay freight from Midwest Youngstown/Coalburg, Ohio to Farrell, Pennsylvania.

Agreed to for: Sharon Steel Corp., Debtor-in Possession

Officer's Signature

Date

Agreed to for: Seaway Scrap Trading Co., Inc.

Officer's Signature

Date

W B Lake Kelley 4-26-90

EXHIBIT "A"
AMENDMENT 2

The following rail cars are included in the Rail Lease Agreement as provided for in Section 1 of this Lease Agreement:

REV CAR #	ORIGINAL CAR #	PRICE SIZE/TYPE	(1000) LBS. LIGHT WEIGHT	COST P.O.T. YOUNGSTOWN PRICE/CAR	(\$) SALVAGE VALUE PER C.T.	(\$) MONTHLY LEASE RATE
SSTX 477366	SBD 477366	10/R	51.9	6,000.00	232.12	240.00
SSTX 479215	SBD 479215	10/R	52.5	5,000.00	256.00	240.00
SSTX 476894	SBD 476894	10/R	58.8	6,000.00	228.51	240.00
SSTX 478923	SBD 478923	10/R	59.2	5,000.00	227.01	240.00
SSTX 479254	SBD 479254	10/R	58.8	6,000.00	228.57	240.00
SSTX 478465	SBD 478465	10/R	42.9	6,000.00	313.29	240.00
SSTX 170284	LN 170284	10/R	57.7	6,000.00	232.93	240.00
SSTX 170743	LN 170743	10/R	58.4	6,000.00	230.14	240.00
SSTX 478101	SBD 478101	10/R	60.0	6,000.00	224.00	240.00
SSTX 170547	LN 170547	10/R	58.8	6,000.00	228.57	240.00
SSTX 170804	LN 170804	10/R	59.9	6,000.00	224.37	240.00
SSTX 170456	LN 170456	10/R	58.8	6,000.00	228.57	240.00
SSTX 363736	CD 363736	10/F	60.1	4,500.00	167.72	180.00
SSTX 998889	SBD 998889	10/F	47.6	4,500.00	211.16	180.00

Note: Sharon will pay freight from Midwest Youngstown/Coeburg, Ohio to Farrell, Pennsylvania.

Agreed to for: Sharon Steel Corp., Debtor-in Possession

Officer's Signature

Date

Agreed to for: Seaway Scrap Trading Co., Inc.

Officer's Signature

Date

[Signature] 6-7-90

EXHIBIT "A"
AMENDMENT 3

The following rail cars are included in the Rail Lease Agreement as provided for in Section 1 of this lease Agreement:

NEW CAR #	ORIGINAL CAR #	PROD SIZE/TYPE	(000) LBS. LIGHT WEIGHT	COST F.O.T. TONNAGE PRICE/CAR	(1) SALVAGE VALUE PER C.T.	(2) MONTHLY LEASE RATE
SS71 132857	SCL 132857	70/R	58.1	5,908.00	225.14	236.00
SS71 130368	SCL 130368	70/R	58.0	5,900.00	227.05	236.00
SS71 131714	SCL 131714	70/R	60.3	5,900.00	215.17	236.00
SS71 21522	LH 21522	70/R	58.4	5,900.00	225.30	236.00
SS71 111048	LH 111048	70/R	59.4	5,900.00	222.49	236.00
SS71 171236	LH 171236	70/R	58.5	5,900.00	225.91	236.00
SS71 176240	LH 176240	100/R	68.1	7,800.00	256.55	312.00
SS71 111275	LH 111275	70/R	59.5	5,900.00	222.12	236.00
SS71 21543	LH 21543	70/R	59.6	5,900.00	221.74	236.00
SS71 478834	SBD 478834	70/R	58.1	5,900.00	227.47	236.00
SS71 478636	SBD 478636	70/R	57.5	5,900.00	229.84	236.00
SS71 477136	SBD 477136	70/R	61.0	5,900.00	215.66	236.00
SS71 477921	SBD 477921	70/R	59.0	5,900.00	224.00	236.00
SS71 476934	SBD 476934	70/R	58.8	5,900.00	224.76	236.00
SS71 479000	SBD 479000	70/R	63.1	5,900.00	209.45	236.00
SS71 478882	SBD 478882	70/R	59.4	5,900.00	222.49	236.00
SS71 477315	SST 477315	70/R	66.1	5,900.00	194.07	236.00

Note: Sharon will pay freight from Midwest Youngstown/Coalburg, Ohio to Farrell, Pennsylvania.

Agreed to for: Sharon Steel Corp., Debtor-in Possession

Officer's Signature

Date

Agreed to for: Seaway Scrap Trading Co., Inc.

Officer's Signature

Date

[Signature] 6-29-90

EXHIBIT "A"
AMENDMENT 4

The following rail cars are included in the Rail Lease Agreement as provided for in Section 1 of this Lease Agreement:

NEW CAR #	ORIGINAL CAR #	TRUCK SIZE/TYPE	(000) LBS. LIGHT WEIGHT	COST P.O.T. YOUNGSTOWN PRICE/CAR	(\$) SALVAGE VALUE PER G.T.	(\$)- MONTHLY LEASE RATE
SSTX 141871	CO 141871	70/R	48,800	5,700.00	261.64	228.00
SSTX 141849	CO 141849	70/R	51,000	5,700.00	250.35	228.00
SSTX 998606	CSXT 998606	70/R	49,800	5,900.00	265.38	236.00
SSTX 601425	CR 601425	100/R	70,300	7,800.00	248.53	312.00
SSTX 601347	CR 601347	100/R	71,400	7,800.00	244.71	312.00

Note: Sharon will pay freight from Midwest Youngstown/Coalburg, Ohio to Farrell, Pennsylvania.

Agreed to for: Sharon Steel Corp., Debtor-in Possession

Officer's Signature

Date

Agreed to for: Seaway Scrap Trading Co., Inc.

Officer's Signature

Date

EXHIBIT "A"
AMENDMENT 5

The following rail is included in the Rail Lease Agreement as provided for in Section 1 of this Lease Agreement:

NEW CAR #	ORIGINAL CAR #	TRUCK SIZE/TYPE	(000) LBS. LIGHT - WEIGHT	COST P.O.T. YOUNGSTOWN PRICE/CAR	(\$ SALVAGE VALUE PER G.T.	(\$ MONTHLY LEASE RATE
SSTX 28523	LN 28523	10/P	52,500	5,000.00	213.33	200.00

Note: Sharon will pay freight from Midwest Youngstown/Coalburg, Ohio to Farrell, Pennsylvania.

Agreed to for: Sharon Steel Corp., Debtor-in Possession

[Signature]
Officer's Signature

12/15/91
Date

Agreed to for: Seaway Scrap Trading Co., Inc.

[Signature]
Officer's Signature

Nov 19, 1990
Date

EXHIBIT "A"
AMENDMENT 6

The following rail cars are included in the Rail Lease Agreement as provided for in Section 1 of this Lease Agreement:

NEW CAR #	ORIGINAL CAR #	TRUCK SIZE/TYPE	LIGHT WEIGHT	COST P.O.P. YOUNGSTOWN PRICE/CAR	(\$) SALVAGE VALUE PER G.T.	(\$) MONTHLY LEASE RATE
SSTX 98780	ACL 98780	70/R	61,100	5,900.00	216.30	236.00
SSTX 98583	ACL 98583	70/R	51,600	5,900.00	214.54	236.00
SSTX 131644	SCL 131644	70/R	58,400	5,900.00	225.30	236.00
SSTX 35632	CO 35632	70/R	65,400	5,900.00	202.08	236.00
SSTX 35624	CO 35624	70/R	65,500	5,900.00	201.77	236.00
SSTX 477127	SBD 477127	70/R	61,000	5,900.00	216.66	236.00
SSTX 481129	SBD 481129	70/R	60,300	5,900.00	219.17	236.00
SSTX 35643	CO 35643	70/R	65,600	5,900.00	201.46	236.00
ESTX 477771	SBD 477771	70/R	56,900	5,900.00	232.27	236.00
ESTX 481098	SBD 481098	70/R	59,800	5,900.00	221.00	236.00

Note: Sharon will pay freight from Midwest Youngstown/Coalburg, Ohio to Farrell, Pennsylvania.

Agreed to for: Sharon Steel Corp., Debtor-in Possession

Officer's Signature

Date

Agreed to for: Seaway Scrap Trading Co., Inc.

Officer's Signature

Date